DOCUMENT RESUME

ED 475 994 SO 034 669

TITLE	Economics, the Enterprise System, and Finance.
INSTITUTION	New York State Education Dept., Albany.
PUB DATE	2002-02-00
NOTE	41p.
AVAILABLE FROM	New York State Education Department, 89 Washington Avenue, Albany, NY 12234. Web site: http://www.nysed.gov/.
PUB TYPE	Guides - Non-Classroom (055)
EDRS PRICE	EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS	*Academic Standards; Core Curriculum; *Economics; *Economics Education; *Free Enterprise System; Secondary Education; Social Studies; *State Standards
IDENTIFIERS	*Economic Concepts; Finance; *New York; Performance Indicators

ABSTRACT

The core curriculum for economics, the enterprise system, and finance supports the New York State Education Department's efforts to raise standards in social studies by focusing on Standard 4: Economics, in the "Learning Standards for Social Studies." This core curriculum reinforces the key ideas and performance indicators for this standard and describes what students should know and achieve in their study of economics and economic decision making. It outlines the content, concepts, and skills that students should understand and apply throughout their lives. This guide is intended to be used to meet the curriculum mandate of the New York Board of Regents that requires all students to complete a half-unit course of study in economics or its equivalent as part of their for unit social studies requirement. The guide is divided into eleven parts: (1) "Foreword"; (2) "Introduction"; (3) "National Voluntary Standards for Teaching Economics"; (4) "Jump$tart Coalition Personal Financial Management Guidelines"; (5) "I. Living in a Global Economy"; (6) "II. The United States Economic System"; (7) "III. The Enterprise System and the United States Economy"; (8) "IV. Labor and Business in the United States"; (9) "V. Money, Finance, and Personal Finance"; (10) "VI. Making Fiscal and Monetary Policy"; and (11) "VII. Impact of Globalization on the Economics of Other Nations." (BT)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 475 994

Economics, the Enterprise System, and Finance

SO 034 669

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

R. DeFabio

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

February 2002

The University of the State of New York • The State Education Department
Albany, NY 12234
www.nysed.gov

BEST COPY AVAILABLE

THE UNIVERSITY OF THE STATE OF NEW YORK
Regents of The University

CARL T. HAYDEN, Chancellor, A.B., J.D.	Elmira
ADELAIDE L. SANFORD, Vice Chancellor, B.A., M.A., P.D.	Hollis
DIANE O'NEILL MCGIVERN, B.S.N., M.A., Ph.D.	Staten Island
SAUL B. COHEN, B.A., M.A., Ph.D.	New Rochelle
JAMES C. DAWSON, A.A., B.A., M.S., Ph.D.	Peru
ROBERT M. BENNETT, B.A., M.S.	Tonawanda
ROBERT M. JOHNSON, B.S., J.D.	Huntington
ANTHONY S. BOTTAR, B.A., J.D.	North Syracuse
MERRYL H. TISCH, B.A., M.A.	New York
ENA L. FARLEY, B.A., M.A., Ph.D.	Brockport
GERALDINE D. CHAPEY, B.A., M.A., Ed.D.	Belle Harbor
ARNOLD B. GARDNER, B.A., LL.B.	Buffalo
CHARLOTTE K. FRANK, B.B.A., M.S.Ed., Ph.D.	New York
HARRY PHILLIPS, 3rd, B.A., M.S.F.S.	Hartsdale
JOSEPH E. BOWMAN, JR., B.A., M.L.S., M.A., M.Ed., Ed.D	Albany
LORRAINE A. CORTÉS-VÁZQUEZ, B.A., M.P.A.	Bronx

President of The University and Commissioner of Education
RICHARD P. MILLS

Chief Operating Officer
RICHARD H. CATE

Deputy Commissioner for Elementary, Middle, Secondary, and Continuing Education
JAMES A. KADAMUS

Assistant Commissioner for Curriculum, Instruction, and Assessment
ROSEANNE DEFABIO

Assistant Director for Curriculum and Instruction
ANNE SCHIANO

The State Education Department does not discriminate on the basis of age, color, religion, creed, disability, marital status, veteran status, national origin, race, gender, genetic predisposition or carrier status, or sexual orientation in its educational programs, services and activities. Portions of this publication can be made available in a variety of formats, including braille, large print or audio tape, upon request. Inquiries concerning this policy of nondiscrimination should be directed to the Department's Office for Diversity, Ethics, and Access, Room 530, Education Building, Albany, NY 12234.

Foreword

This core curriculum for economics, the enterprise system, and finance supports the State Education Department's efforts to raise standards in social studies by focusing on Standard 4: Economics, in the *Learning Standards for Social Studies*. This core curriculum reinforces the key ideas and performance indicators for this standard and describes what students should know and be able to do in their study of economics and economic decision making. It outlines the content, concepts, and skills that students should understand and apply throughout their lives. Decisions about what information to include reflect the collaborative efforts of leaders in social studies education, business, finance, and economics education. These decisions were based on the need to provide students with the economic knowledge and skills that will enable them to function as informed and economically literate citizens in our democratic society and in the global marketplace. This new core curriculum includes information about business, entrepreneurship, the enterprise system, finance, and personal finance, in addition to economic theory.

Economics, the Enterprise System, and Finance is intended to be used to meet the curriculum mandate of the Board of Regents that requires all students to complete a half-unit course of study in economics or its equivalent as part of their four-unit social studies requirement. Equivalent courses in economics must address Social Studies Learning Standard 4: Economics, specifically the key ideas and performance indicators that define this standard. This new core curriculum also includes references to the National Voluntary Standards for Teaching Economics and to the Jump$tart Coalition Personal Financial Management Guidelines.

The design and development of this core curriculum represented a unique partnership among leaders of business and finance, economists, teachers of economics, and representatives from the Federal Reserve Bank of New York, Junior Achievement, Inc., and the New York and National Foundation for Teaching Entrepreneurship (NFTE). In addition, hundreds of social studies teachers and supervisors either attended informational sessions or provided written reviews of this core curriculum. The New York State Education Department wishes to recognize and thank the following individuals and their organizations for their cooperation, assistance, and support for this important curriculum project. Inclusion of an individual's name and affiliation does not necessarily imply support for the contents of this core curriculum by that individual or affiliation.

Acknowledgments

ADVISORY COMMITTEE
ECONOMICS AND ECONOMIC DECISION MAKING

Dr. Peter F. Bell
New York State Council on Economic Education
SUNY Purchase
Purchase, NY 10577

Mr. Richard Birdie
Gilder Lehrman Institute of American History
formerly at:
John F. Kennedy High School
3000 Bellmore Avenue
Bellmore, NY 11710

Mr. Lloyd Bromberg
Federal Reserve Bank of New York
33 Liberty Street, 2nd Floor
New York, NY 10045

Ms. Monique Darrisaw
New York City Board of Education
131 Livingston Street, Room 601
Brooklyn, NY 11201

Ms. Barbara Drago
Senior Vice President
New York Institute for Entrepreneurship
41 State Street, Suite 110M
Albany, NY 12207

Ms. Ann K. Lupo
Associate Director, School Effectiveness Services
Erie I BOCES
355 Harlem Road
West Seneca, NY 14224

Professor Michael Gordon
Director, Center for Economic Education
SUNY Canton
Canton, NY 13617

Dr. Peter J. Harder
Senior Vice President of Education
Junior Achievement
National Headquarters
One Education Way
Colorado Springs, CO 80906

Dr. Steven Malin
Federal Reserve Bank of New York
33 Liberty Street, 2nd Floor
New York, NY 10045

Mr. Steve Marriotti
National Foundation for Teaching Entrepreneurship
(NFTE)
120 Wall Street, 29th Floor
New York, NY 10005

Mr. Joe Morgan
Webster High School
875 Ridge Road
Webster, NY 14580

Mr. Ronald Pintuff
Shenendehowa Senior High School East
970 Rt. 146
Clifton Park, NY 12065-3688

Mr. Raymond T. Palmer
South Shore High School
Brooklyn, NY 11236

Mr. Al Salesky
7 Nansen Court
Spring Valley, NY 10977

Dr. John A. Tribble
Director, Capital Region Center for Economic
Education
Sage College – Troy Campus
45 Ferry Street
Troy, NY 12180-4199

CONTENT EDITORS

Lloyd Bromberg	Federal Reserve Bank of New York
Phyllis Frankfort	Merging Business and Academics: New York State Financial Literacy Coalition
Dr. Steven Malin	Federal Reserve Bank of New York

CONTENT REVIEWERS

Glenn G. Adams	Spencerport High School
Eileen Andrews	Niagara Falls School District
Herbert Brodsky	Freeport High School
Donna A. Brooks	Patchogue Medford UFSD
Regina Cappiello	Valley Stream High School
Daniel Curtin	Real Property Tax Administration System Alliance
Vincent Garone	Massapequa Public Schools
Irma Haller	Sidney High School
Virginia Harnischfeger	Elwood-John Glenn High School, East Northport
Walter Harris	New York City High Schools
Ruth Henahan	Real Property Tax Administration System Alliance
James Killoran	New York City High Schools
Pat Krenzer	Erie 2 BOCES
Richard Lasselle	Real Property Tax Administration System Alliance
Riza Laudin	Herricks UFSD
Alan Lissauer	Freeport High School
Joseph Macaluso	Real Property Tax Administration System Alliance
Dr. Lewis Mandell	SUNY, Buffalo
Laura M. McCue	General Douglas MacArthur High School, Levittown
Sheldon Meltzner	Edward R. Murrow High School, Brooklyn
Susan D. Miller	James Madison High School, Brooklyn
Ghandi M. Moussa	High School for Economics and Finance, New York
Laurann Pandelakis	Hicksville High School
Glen Pribek	The Wheatley School
Dr. Mark Rothman	Port Washington UFSD
David Sanossian	Garden City High School
Anne Sapienza	Real Property Tax Administration System Alliance
Stewart Singer	Division Avenue High School, Levittown
Frank Soda	Niagara Falls School District
Mary Therrien	Grand Island High School
Jacqueline Thompson	Broome Tioga BOCES
Robert Wiedenhoft	Garden City High School
Dr. William C. Wood	James Madison University
Susan Woodbury	Massapequa High School
Leslie Wright	St. Joseph's Villa Campus School
Douglas N. Young	Croton Harmon High School

STATE EDUCATION DEPARTMENT

Dr. George M. Gregory, Project Director	Curriculum and Instruction
Jan Christman	Curriculum and Instruction
JoAnn Larson	Curriculum and Instruction
Gary Warren	State Assessment

Table of Contents

Foreword iii

Introduction 1
- Why Study Economics? 1
- Commissioner's Regulation 2
- Social Studies Learning Standard 4: Economics 2
- Social Studies Skills 4
- Skill Development Procedures 10
- How to Use This Core Curriculum 11

National Voluntary Standards for Teaching Economics 12

Jump$tart Coalition Personal Financial Management Guidelines 14

I. Living in a Global Economy 15

II. The United States Economic System 16

III. The Enterprise System and the United States Economy 18

IV. Labor and Business in the United States 22

V. Money, Finance, and Personal Finance 24

VI. Making Fiscal and Monetary Policy 29

VII. Impact of Globalization on the Economies of Other Nations 32

BEST COPY AVAILABLE

Introduction

Why Study Economics?

The study of economics, perhaps more than any other social science, will have a significant and long-term impact on the lives of students. Throughout their lives, students will encounter various economic concepts, principles, and issues. From personal income and property taxes to automobile loans to retirement investments, students will need to apply the basic economic concepts, understandings, and skills included in this core curriculum. An understanding of basic economic concepts such as supply and demand, opportunity costs, recession, the business cycle, resources, scarcity, and economic growth will enable students to analyze local, state, national, and international economic questions and issues. In addition, as Federal Reserve Board Chairman Alan Greenspan has noted, "Improving basic financial education at the elementary and secondary school level is essential to providing a foundation for financial literacy that can help prevent younger people from making poor financial decisions that can take years to overcome."

As active, informed citizens in our democratic republic, students will also need to understand how economic principles influence local, state, national, and international policies. Students need to understand and analyze the economic implications involved in resolving local policy issues. For example, local and regional decisions about economic development, the environmental impacts of proposed projects, and potential employment opportunities require an understanding of economic content and concepts. Students need to be able to participate in the decision-making process by critically analyzing information related to these projects and proposals. They need to address the potential effects these proposals might have on societal values and goals, resources, and quality of life.

On the global level, technology, computers, and access to the Internet will enable students of the 21st century to communicate and interact with individuals, groups, and institutions throughout the United States and the world. Through stock market clubs and competitions, e-trade transactions, and various websites, students can now participate in the world of finance. At the same time, however, students also need to learn about the connections that link various global economic issues and concerns such as resource depletion, global trade, population movements, air and water pollution, inflation, and unemployment. Students need to be able to define these issues and problems; review alternative solutions by considering the economic, social, and political implications for each; and propose solutions. A study of economics should also help students better understand the operation of the interdependent world economy and the various roles played by consumers, workers, producers, investors, voters, and political leaders.

Economics provides a unique opportunity for students to combine knowledge of the theoretical with practical, real-life decisions about employment options, consumer choices, and personal finance. An understanding of basic economic concepts and principles will help students to become better informed and more active citizens. They should become citizens who can participate in policy making at the local, state, and national levels concerning economic issues and priorities.

> "If we are worried that our young people can't read or add and subtract, then we should also be seriously concerned that they do not know how to manage their financial resources as workers, producers, savers and investors, nor how to address public policy issues as participants in a democratic society. A sound education in basic economic principles provides students with critical survival tools and important *quality of life* skills. By failing to provide economic education for all our young people, we are failing *them.*"
>
> **Robert F. Duval, President, National Council on Economic Education**

Commissioner's Regulation

Commissioner's Regulation 100.5 mandates that all students first entering grade 9 in 1985 and thereafter must earn a half-unit of credit in economics or its equivalent. Equivalency means that students will challenge Social Studies Learning Standard 4: Economics, at the commencement level, including the key ideas and performance indicators that define that standard. An equivalent course of study should also address the economics content, concepts, and skills included in this core curriculum guide.

Social Studies Learning Standard 4: Economics

Students will use a variety of intellectual skills to demonstrate their understanding of how the United States and other societies develop economic systems and associated institutions to allocate scarce resources, how major decision-making units function in the U.S. and other national economies, and how an economy solves the scarcity problem through market and nonmarket mechanisms.

1. **The study of economics requires an understanding of major economic concepts and systems, the principles of economic decision making, and the interdependence of economies and economic systems throughout the world.**

   Students:
   - **analyze the effectiveness of varying ways individuals, societies, nations, and regions of the world attempt to satisfy their basic needs and wants by utilizing scarce resources**
   - **define and apply basic economic concepts such as scarcity, supply/demand, opportunity costs, production, resources, money, economic growth, markets, costs, and competition**
   - **understand the nature of scarcity and how nations of the world make choices which involve economic and social costs and benefits**
   - **describe the ideals, principles, structure, practices, accomplishments, and problems related to the United States economic system**
   - **compare and contrast the United States economic system with other national economic systems (focusing on the three fundamental economic questions)**
   - **explain how economic decision making has become global as a result of an interdependent world economy**
   - **understand the roles in the economic system of consumers, producers, workers, investors, and voters.**

   This is evident, for example, when students:
   - through the use of market case studies of the U.S. economy and the economies of other countries, investigate how values and incentives influence people's choices, how the economic system affects people's incentives, how people gain from voluntary trade, and how people's choices influence the value of a good or service
   - examine current and historical economic data (e.g., workforce composition and participation, natural resource deposits, industrial base, financial institutions, state's gross domestic product) to create an economic profile of the New York State and United States economies; investigate the role of government (state and national) with particular attention to services provided that foster economic activity and regulations designed to protect the environment

- Δ complete a case study of a nation or society, focusing on the fundamental economic questions, What goods and services are produced and in what quantities? How are these goods and services produced? For whom are these goods and services produced?
- Δ investigate one or more current economic issues in the United States, including their historical antecedents; issues may include, but are not limited to: impact of fiscal policy, the role of Federal Reserve and monetary policy, corporate downsizing and unemployment, economic growth and the information age, welfare policy, health care policy, the national debt, defense spending, foreign aid, affirmative action
- Δ consider policy positions, and the possible conflicting goals of government, such as full employment, price stability, economic justice, economic freedom, and economic security
- Δ recognize why international trade takes place (because of comparative advantage) and the role of exchange rates in fostering or inhibiting trade; become familiar with the basics of the balance of payments and international capital flows; investigate the importance of New York City as a primary world financial center and how the City's financial role is enhanced by technology
- Δ graph textbook or teacher-developed data to display supply/demand schedules. Interpret graphs identifying prices and situations that would cause supply/demand schedules to change
- Δ describe a list of economic decisions students will make during the coming year, explaining how the concept of scarcity is involved in each decision. For each decision, discuss a possible opportunity cost involved. Research newspapers, periodicals, and computer databases to compile a list of local, state, or federal government economic decisions explaining how the concept of scarcity affected each decision
- Δ interpret and analyze the graphic information included in the annual *Economic Report of the President*, describing federal and state expenditures
- Δ analyze how traditional, command, market, and mixed economies would address the following issues: health care for individuals with special needs (i.e., elderly, people with disabilities), price supports for farmers, aid to education, and environmental controls of industries
- Δ examine the nature and functions of money in an economy; understand the basics of banking, including the role of the Federal Reserve System; investigate how forms of money and the nature of credit have changed over time; recognize how technology increases the flow of financial information and increases the speed of financial transactions
- Δ conduct an in-depth investigation and analysis of the economic and historical impact of one of the following: the era of Adam Smith and the emergence of capitalism, the Industrial Revolution, Karl Marx and the emergence of communism, the fall of the Berlin Wall, and the "opening up" of former communist countries to capitalism.

2. **Economics requires the development and application of the skills needed to make informed and well-reasoned economic decisions in daily and national life.**

Students:

- **identify, locate, and evaluate economic information from standard reference works, the Internet, newspapers, periodicals, databases, textbooks, government publications, and other primary and secondary sources**
- **use economic information by identifying similarities and differences in trends; inferring relationships between various elements of an economy: organizing and arranging information in charts, tables, and graphs; extrapolating and making conclusions about economic questions, issues, and problems**
- **apply a problem-solving model to identify economic problems or issues, generate hypotheses, test hypotheses, investigate and analyze selected data, consider alternative solutions or positions, and make decisions about the best solution or position**
- **present economic information and conclusions in different formats including graphic representations, computer models, research reports, oral presentations, and business plans.**

This is evident, for example, when students:

- Δ analyze graphs and charts describing federal, state, and local government expenditures in different categories (e.g., education, police and fire, health care, welfare, transportation) and design a graphic representation or computer model that compares/contrasts these expenditures

- construct a personal budget showing how they would spend a particular income for a period of months. Classify the expenditures and present this information in graphic form
- research the early struggles of organized labor including topics such as labor conditions in specific industries in the 19th century, important pieces of labor legislation, and major labor conflicts. Prepare an oral or research report that summarizes the findings and evaluates the effectiveness of the solutions to these problems, conflicts, or conditions
- list problems which affect the environment and the quality of life in the United States. Research federal, state, and local government programs developed to resolve these problems. Evaluate the costs and benefits of each governmental action and propose additional actions
- prepare a series of questions for an interview with a commercial banker focusing on the relationship of that bank with the Federal Reserve System and how and why interest rates change. Graph interest rates for a two-year period and explain how and why they might have changed
- research periodicals, computer databases, and government publications to investigate different views on the role of the government in the economy. Take and defend a position on what role government should play in managing the economy.

Social Studies Skills

The connecting activities in this core curriculum combine economic content, concepts, and understandings with skill development. Social studies skills are not learned in isolation but rather in context as students gather, organize, use, and present information. These skills are introduced, applied, reinforced, and remediated within the framework of the K-12 social studies program. Students understand the importance of social studies skills as they use them to interpret, analyze, and evaluate social science concepts and understandings. Students aim for mastery of skill objectives at the same time that they pursue the other cognitive and affective objectives of the social studies program.

Learning, practicing, applying, extending, and remediating social studies skills is a developmental process. Just as students who lack social studies facts and generalizations have difficulty in applying information to new situations and analyzing new issues and historical problems, students with limited understanding of social studies skills have great difficulty in processing information, reaching higher cognitive levels, and learning independently. The teaching of social studies skills needs to be built into every classroom activity so that students engage in a systematic and developmental approach to learning how to process information.

Social studies skills can be classified into thinking skills and thinking strategies. (See: Barry K. Beyer, *Developing a Thinking Skills Program*, Boston: Allyn and Bacon, 1988). Thinking skills include the ability to gather, interpret, organize, analyze, evaluate, and synthesize information. Thinking strategies involve processing information as students engage in problem solving, decision making, inquiry, and conceptualizing. The following skill charts provide examples of how thinking skills and strategies can be organized throughout the social studies curriculum, K-12. The social studies standards, performance indicators, and core curriculum provide additional examples of skill development strategies.

Source: *Incorporating Skills into Social Studies Programs K-12*. The New York State Education Department, Albany, NY.

BEST COPY AVAILABLE

Chart A: Social Studies Skills

GETTING INFORMATION	I. USING INFORMATION
Students shall be able to:	***Students shall be able to:***
identify a variety of sources of information: • multiple sources of the same types of information • varying approaches, viewpoints, interpretations • reference works, newspapers, magazines, primary and secondary sources • tables, graphs, charts, diagrams • maps, globes, atlases, vocabulary • visuals, field trips, artifacts • listening • observing recognize advantages and limitations of various sources locate sources of print and nonprint information: • libraries (card catalogs, indices, library guides such as *Reader's Guide to Periodical Literature*) • tables of contents, appendices, glossaries, bibliographies, and indices • museums, galleries, public and private collections, motion pictures, television, radio, recordings, conversations, interviews identify the types and kinds of information needed: • recognition of information that is relevant as differentiated from information that is irrelevant • use of subquestions and/or predicted consequences • understanding of purposes for which information is to be used locate information in print and nonprint sources: • main elements • main ideas • supportive elements organize collected information: • orderly, precise, summarized notes • cited sources	classify and/or categorize data by: • selecting appropriate headings for data • distinguishing between relevant and irrelevant information and events • placing ideas in order, chronological and other • developing tables, charts, maps, and graphs to clarify data and ideas • identifying differences and similarities in data evaluate data by: • differentiating fact from opinion • identifying frames of reference • identifying value-laden words • detecting evidence of propaganda • evaluating author's or person's qualifications draw inferences from data by: • identifying relationships among the parts • detecting inconsistencies • weighing conflicting facts and statements check on completeness of data and question hypotheses based on sufficiency of evidence by: • using simple mathematical and statistical devices to analyze data • testing, refining, and eliminating hypotheses and working out new ones when necessary • drawing conclusions generalize from data by: • applying previously learned concepts and generalizations to the data or situation • checking reasoning against basic principles of logic and looking for inconsistencies, limitations of data, and irrelevancies • creating a broad statement that encompasses findings scrutinize possible consequences of alternative courses of action by evaluating them in light of basic values, listing arguments for and against such proposals, and selecting courses of action most likely to achieve goals revise generalizations in the light of new data

Chart A: Social Studies Skills

I. PRESENTING INFORMATION

Students shall be able to:

speak in an effective way by:
- spending sufficient time in planning and preparing, whether it be for an individual oral report or as a member of a panel, debate, forum, etc.
- talking in complete sentences
- keeping to the topic
- using appropriate visuals
- learning and developing the skills of being a discussion leader or participant

use media and various visuals for communicating ideas by:
- previewing such media and visuals
- preparing appropriate commentary
- using a variety of media forms: films, filmstrips, photographic essays, etc.
- constructing and using appropriate tables, charts, graphs, cartoons, etc.

write in an expository way by:
- thinking logically
- communicating ideas coherently
- forming generalizations based on appropriate data
- supporting such generalizations through the use of relevant factual information
- using different forms of written exposition: investigative, informative, interpretive, argumentative
- following an acceptable format that includes an introductory element, a body containing the basis of the exposition, a conclusion

recognize and use nonverbal means of communication by:
- understanding the variety of kinds of nonverbal communication: gestures, touching, eye language, etc.
- appreciating that the amount and kind of nonverbal communication varies from culture to culture

IV. PARTICIPATING IN INTERPERSONAL AND GROUP RELATIONS

Students shall be able to:

incorporate a set of positive learning attitudes by:
- recognizing that others may have a different point of view
- observing the action of others
- being attentive to situational as well as personal causes of conflict
- listening to reason
- recognizing and avoiding stereotypes
- withholding judgment until the facts are known
- objectively assessing the reactions of other people to one's own behavior

participate in group planning and discussion by:
- following democratic procedures in helping to make group decisions
- initiating ideas
- giving constructive criticism
- suggesting means of group evaluation
- suggesting ways of resolving group differences
- anticipating consequences of group action

assume responsibility for carrying out tasks:
- individual
- group

be alert to incongruities and recognize problems

define basic issues by:
- defining terms
- identifying basic assumptions
- identifying values conflicts

set up hypotheses and/or alternative courses of action

Chart B: Problem-Finding/Solving Skills

Developing skills in dealing with conflicts, incongruities, and problems facing individuals and societies has been recognized for a number of years as a major skill area. By learning to resolve problems in a classroom or a school setting, students are given practice in approaching problem tasks in a rational manner. It is hoped that by making this practice a continuing one, from kindergarten through grade 12, the process can be transferred by the students to their outside encounters. Pupils need practice in rational approaches to working out conflicts and problems. The steps in this process generally consist of having students:

1. define or identify a problem
2. hypothesize and investigate data
3. make a decision based upon step #2
4. recognize values conflicts
5. redefine the decision in attempting to accommodate any conflicts in values.

Students should be helped to realize that while one problem may be resolved by taking one action or another, the solution may well raise new problems. This realization should encourage students to weigh alternative solutions carefully.

Each person or group determines which solution to apply by a combination of rational thinking and subjective judgments that may be intuitive, value-laden, or emotional. The process of problem solving is developmental in nature; the solution of a problem or the changing of the decision gives the student the skills needed to approach another problem. If we conceptualize the basic steps in problem solving, we can see how attempting to solve one problem will provide the student with the experiences and skills needed to solve another problem.

Chart B applies the skills found in Chart A in an attempt to specifically apply that material to social studies content: problem solving, conflict resolving, and decision making. The format is that of objectives which when followed would enable students to proceed through the process. People do not necessarily proceed step-by-step through the process, but may omit steps because of previous knowledge or intuitive reaction. Students without these advantages, for whatever the reason, should be given many opportunities for application and practice.

Each of the steps in this process, as in the continuum, can be assessed, taught/learned, practiced, and used outside the problem context. But the student learns best when the skill is learned and practiced in the context of real or vicarious experiences requiring resolution of some kind.

Objective I:

The student will be able to find problems.

The student will:

- raise questions related to a problem
  - question beyond the who, what, when, and where, and include the how and why
  - generate ideas and questions that show originality, flexibility, and inventiveness
- recognize that a problem exists
  - identify several aspects of a problem area
  - identify gaps or missing links in the events and ideas
  - recognize conflicts in data
  - point out relationships between conceptual areas not usually related
- use higher level thinking skills of comprehension, analysis, synthesis, and evaluation
  - establish a network of related facts and concepts
  - organize and bring structure to ideas, events, and things
  - reach some tentative conclusions or hypotheses
  - define basic issues, terms, assumptions, values conflicts

Objective II:

The student will be able to solve problems that are either presented by the teacher or identified by the student.

The student will:

- write a sentence or paragraph that states the problem
  - include a clear identification of the problem
- write a series of questions using stems that indicate increasing levels of complexity, for use as a guide for problem solving
- develop a plan for problem solving
  - include use of time, location, and date of completion
  - include appropriate age level, the objective, and available resources
  - include alternative courses of action
  - assume responsibility for carrying out individual and group tasks
- obtain information from a variety of sources by
  - using libraries (card catalogs, indices, library guides such as *Reader's Guide to Periodical Literature*)
  - using reference works, newspapers, magazines, primary and secondary sources
  - using tables of contents, appendices, glossaries, bibliographies, and indices
  - identifying main ideas and supportive elements
  - using maps, globes, atlases, visuals, field trips, artifacts, tables, graphs, charts, diagrams, people, museums, galleries, public and private collections, motion pictures, television, radio, recordings, conversations, and interviews
- evaluate the sources of information by
  - using multiple sources of the same types of information
  - varying approaches, viewpoints, interpretations
  - checking on completeness of data
  - recognizing advantages and limitations of various sources
  - testing, refining, and eliminating questions and working out new ones when necessary
  - understanding purposes for which information was provided
  - differentiating fact from opinion
  - identifying frames of reference and value-laden words
  - detecting evidence of propaganda
  - evaluating author's or person's qualifications
  - recognizing information likely to be relevant as differentiated from information likely to be irrelevant
- organize and use data by
  - categorizing data
  - selecting appropriate headings for data
  - distinguishing between relevant and irrelevant information and events
  - placing ideas in order, chronological and other
  - developing tables, charts, maps, and graphs to clarify data and ideas
  - identifying differences and similarities in data
  - drawing inferences from data
  - seeing relationships among the parts
  - recognizing inconsistencies
  - identifying conflicting views and statements
  - checking on completeness of data and questioning hypotheses based on sufficiency of evidence
  - using simple mathematical and statistical devices to analyze data
  - drawing conclusions
  - generalizing from data
  - drawing on previously learned concepts and generalizations
  - checking reasoning against basic principles of logic and looking for inconsistencies, limitations of data, and irrelevancies
  - scrutinizing possible consequences of alternative courses of action by evaluating them in light of basic values, listing arguments for and against such proposals, and selecting courses of action most likely to achieve goals
- when necessary, redefine the original problem or identify "new" problems by
  - arranging and recombining data to create new structures for looking at the problem
  - thinking of new ways to use old or standard ideas and things
  - thinking of novel, unique, or unusual possibilities
  - thinking of different kinds of possibilities by manipulating, adapting, and modifying ideas
  - embellishing the possibilities
- develop a product or conclusion that summarizes the information and can be shared
  - orally: mini-lecture or debate tapes of interviews or discussions, records
  - visually: chalkboard, maps, diagrams, charts, photographs, collages, models
  - by demonstration
  - in writing: report, letter, article, poem, mock diary, story, drama

Chart B: Problem-Finding/Solving Skills

Objective III:

The student will be able to work with others engaged in problem-finding/solving skills.

The student will:

- participate in group planning and discussion by
  - following democratic procedures in helping to make group decisions
  - initiating ideas
  - giving constructive criticism
  - suggesting means of group evaluation
  - suggesting ways of resolving group differences
- incorporate a set of positive learning attitudes by
  - recognizing that others may have a different point of view
  - observing the actions of others
  - being attentive to situational as well as personal causes of conflict
  - listening to reason
  - recognizing and avoiding stereotypes
  - withholding judgment until the facts are known
  - assessing the reactions of other people to one's own behavior
- recognize and use nonverbal means of communication by
  - understanding the various kinds of nonverbal communication: gestures, touching, eye language, etc.
  - appreciating that the amount and kind of nonverbal communications vary from culture to culture

Objective IV:

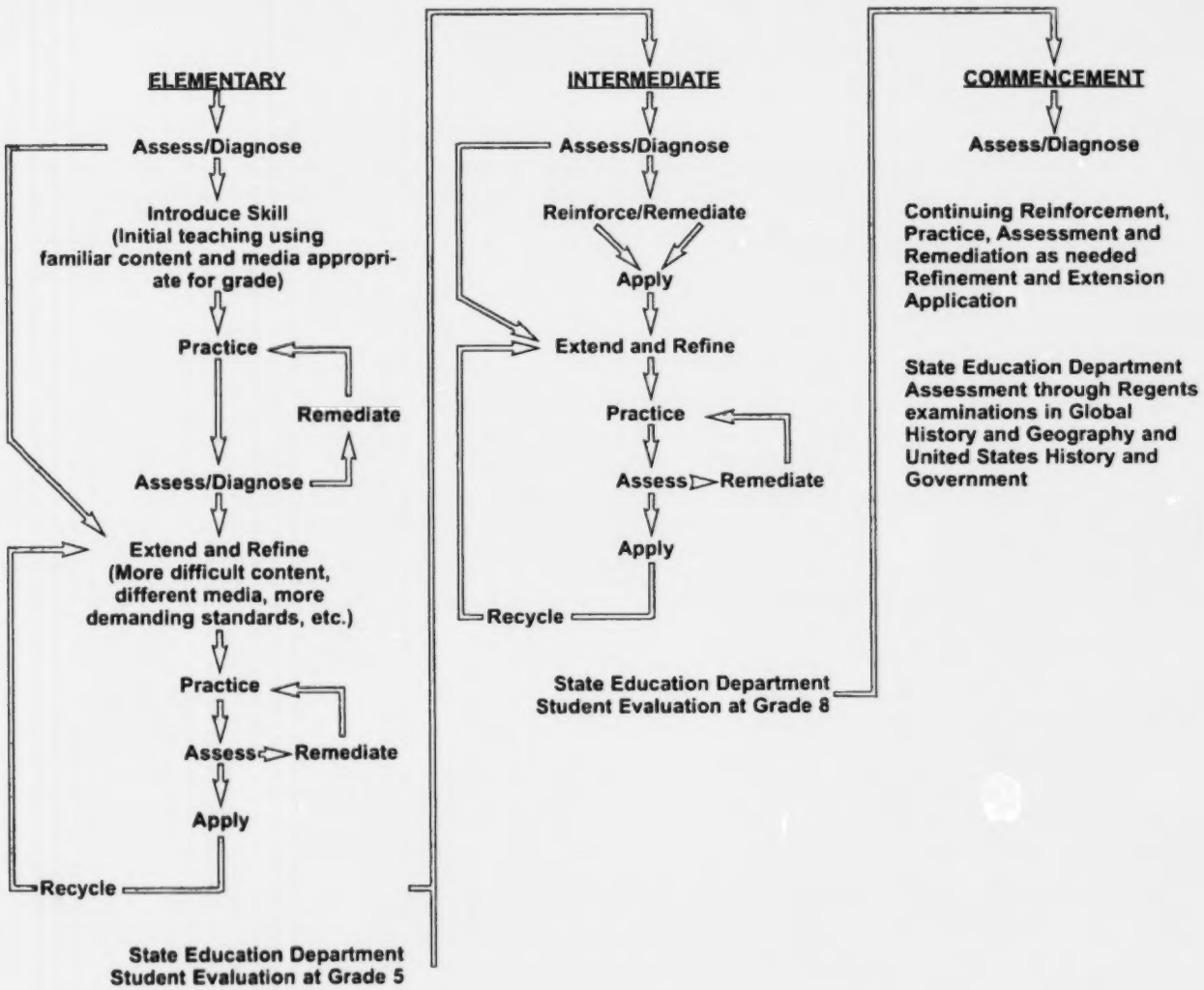
The student will be able to communicate orally, visually, and/or in writing the results of the problem-finding/solving effort.

The student will:

- speak in an effective way by
  - spending sufficient time in planning and preparing, whether it be for an individual oral report or as a member of a panel, debate, forum, etc.
  - talking in complete sentences
  - keeping to the topic
  - using appropriate visuals/gestures, etc.
  - learning and developing the skills of being a discussion leader or participant
- use media and various visuals for communicating ideas by previewing such media and visuals
  - preparing appropriate commentary
  - using a variety of media forms: films, filmstrips, photographic essays, etc.
  - constructing and using appropriate tables, charts, graphs, cartoons, etc.
- use different forms of written expression: investigative/informative, interpretive, argumentative, narrative, and descriptive by
  - following an acceptable format that includes an introductory element, a body containing the basis of the work, and a conclusion
  - thinking creatively
  - thinking logically
  - communicating ideas coherently
  - forming generalizations based on appropriate data
  - supporting such generalizations through the use of relevant factual information

Skill Development Procedures

The following diagram suggests a systematic procedure for skill development in the social studies. Teachers should determine at the beginning of each year the proficiency level of students in the various skill areas.

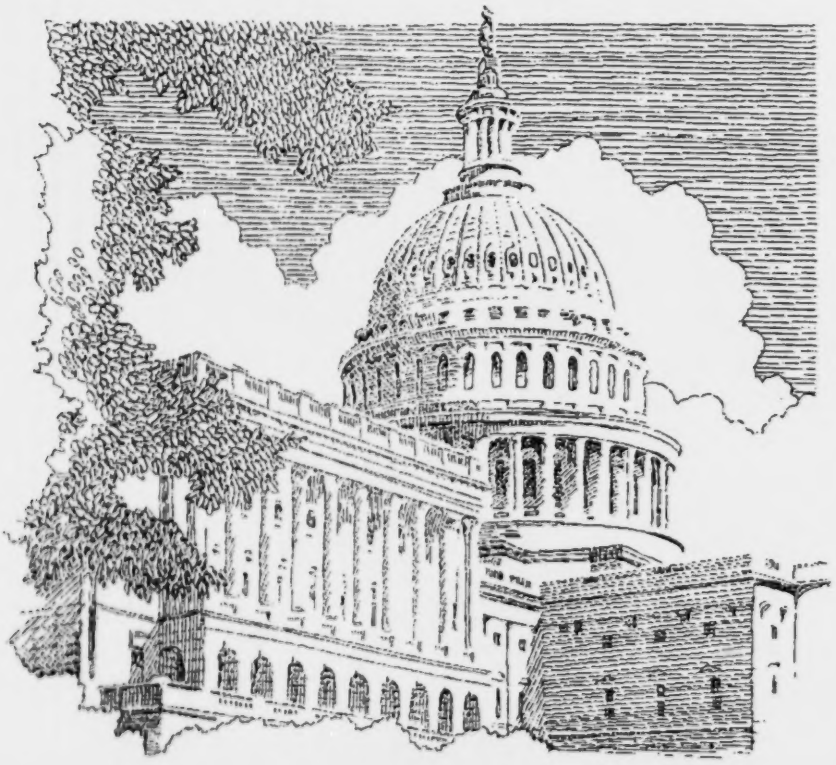


Source: *Social Studies 11: United States History and Government.* The New York State Education Department, Albany, NY.

BEST COPY AVAILABLE

How to Use This Core Curriculum

This core curriculum was developed to assist economics teachers and curriculum developers to help plan instruction for the half-unit economics requirement. Formatted in three columns, the curriculum presents a content outline in the first column. This outline lists the major concepts, themes, and understandings that students should study in economics and economic decision making. The second column of the curriculum identifies the national standards to which the content is linked. Both economics and financial standards are included. The third column presents connecting activities that provide examples of learning experiences students may complete to demonstrate their understanding of the content and their mastery of various social studies skills. This column also includes references to resources and websites that teachers and students may use to investigate the different topics, issues, and themes included in the core curriculum. Since this core curriculum represents a recommended course of study, teachers should read the entire core and then plan lessons and student learning activities that best address local requirements and meet the needs and interests of their students.



National Voluntary Standards For Teaching Economics

1. Productive resources are limited. Therefore, people can not have all the goods and services they want; as a result, they must choose some things and give up others.

2. Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something: few choices are "all or nothing" decisions.

3. Different methods can be used to allocate goods and services. People acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

4. People respond predictably to positive and negative incentives.

5. Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and usually among individuals or organizations in different nations.

6. When individuals, regions, and nations specialize in what they can produce at the lowest cost and then trade with others, both production and consumption increase.

7. Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.

8. Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

9. Competition among sellers lowers costs and prices, and encourages producers to produce more of what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.

10	Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.
11	Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.
12	Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarce resources between present and future uses.
13	Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.
14	Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.
15	Investment in factories, machinery, new technology, and in the health, education, and training of people can raise future standards of living.
16	There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income.
17	Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other than economic efficiency are being pursued.
18	A nation's overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy.
19	Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits some others because it arbitrarily redistributes purchasing power. Inflation can reduce the rate of growth of national living standards because individuals and organizations use resources to protect themselves against the uncertainty of future prices.
20	Federal government budgetary policy and the Federal Reserve System's monetary policy influence the overall levels of employment, output, and prices.

Copyright 1999. The National Council on Economic Education, 1140 Avenue of the Americas, New York, NY 10036. (800) 338-1192.
http://www.ncee.net/

BEST COPY AVAILABLE

Jump$tart Coalition Personal Financial Management Guidelines

1 [I]

Income

Students will be able to:

A. Analyze how personal choices, education/training, technology, and other factors affect future income.
B. Identify sources of income, including entrepreneurial activity.
C. Explain how tax policies, personal taxes, and transfer payments affect disposable income.

2 [II]

Money Management

Students will be able to:

A. Identify the opportunity cost of a financial decision as applied to income, spending, and saving.
B. Establish and evaluate short- and long-term financial goals and plans regarding income, spending, and saving.
C. Develop, analyze, and revise a budget.
D. Explain relationships among taxes, income, spending, and financial investment.
E. Develop a risk-management plan that includes life, automobile, property, health, and income-protection/disability insurance.
F. Explain personal financial responsibility.
G. Perform basic financial operations, such as using checking and savings accounts.

3 [III]

Spending and Credit

Students will be able to:

A. Compare the advantages and disadvantages of spending now and spending later.
B. Evaluate the benefits and costs of using different transaction instruments, such as cash, checking accounts, debit cards, credit cards, money orders, electronic fund transfers, and other financial services.
C. Explain how the price of credit is affected by the risk level of the borrower.
D. Explain how payment performance determines credit history and why credit records are maintained and accessed.
E. Describe the rights and responsibilities of buyers, sellers, and creditors under various consumer protection laws.
F. Use cost-benefit analysis to choose among spending alternatives, such as housing, transportation, and consumer durables.
G. Identify and analyze pros and cons of alternative actions to deal with credit over-extension or other financial difficulties.

4 [IV]

Saving and Investing

Students will be able to:

A. Compare the advantages and disadvantages of saving now and saving later.
B. Explain the importance of short- and long-term saving and financial investment strategies.
C. Identify and evaluate the risk, return, and liquidity of various saving and investment decisions.
D. Explain how taxes, government policy/regulation, and inflation impact saving and investment decisions.

See www.jumpstartcoalition.org

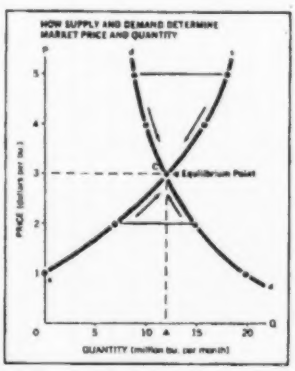
Economics, the Enterprise System, and Finance

Content Outline	National Standards	Connecting Activities
I. Living in a Global Economy A. Economics and finance in our lives 1. People have personal financial goals 2. National economic goals impact on individuals	1* II, III, IV	Have students compare college choices or work opportunities, using trade-offs and opportunity costs. Have students develop a budget for their first year after high school, in college, in the military, or in the workforce. Have students develop three economic goals that they feel are the most important for the United States (e.g., providing a job for every worker; providing a decent income for all retirees; making sure the government does not interfere with business).
B. Individuals have multiple roles in the global economy: consumer, saver, investor, producer, earner, borrower, lender, taxpayer, and recipient of government services	2, 3, 10 I, IV	Have students keep a journal for two weeks indicating each time they acted as a consumer, saver, investor, producer, earner, taxpayer, borrower, or lender. Students can also collect news articles that report about these various roles.
C. The conflict between unlimited wants but limited resources forces both individuals and societies to make economic decisions 1. What to produce? 2. How to produce? 3. Who will receive what is produced?	1, 2, 3	Have students make a list of 10 things they would want to purchase if money was no object. Why can't they have everything on the list in unlimited quantities? Which of the things on the list would they choose? What would they have to give up in order to select their top choice? How many would elect to save some of their money? What is the opportunity cost of saving some of their money? Why would anyone ever choose to save?
D. Productive resources help determine our wealth and our nation's wealth 1. Land 2. Labor 3. Capital 4. Management **Key terms and concepts:** scarcity, trade-offs, choices, opportunity costs, limited resources, unlimited wants, growth, stability, economic fairness, productivity, consumption	16, 18 IV	

* Numbers refer to the *National Voluntary Standards for Teaching Economics* found on pp. 12-13. Roman numerals refer to *JumpStart Coalition Personal Financial Management Guidelines* found on page 14. You can visit their websites at www.ncee.net or www.jumpstartcoalition.org

Content Outline	National Standards	Connecting Activities
II. The United States Economic System A. Characteristics, pillars, and goals of the United States economy (a mixed capitalist economy)—profit motive, private property, competition, price system	16 IV	Have students search the local newspaper, *The New York Times*, *The Wall Street Journal*, *Business Week*, or some other magazine for articles that describe the features of a market-based economic system. Have students classify the articles according to the features they describe.
	19, 13 IV	Have student groups make lists of the characteristics of other economic systems and compare and contrast these characteristics with those of a market economy.
	7, 13, 16, 18 IV	Conduct a class debate on the following issue: "Resolved: The well-being of the United States depends on the active involvement of the government in all economic affairs."
1. Circular flow of the economy		Ask students to draw a circular flow model showing the roles of households, business, and government in a mixed capitalistic economy. **Using the Internet:** • Have students contact students in another major industrial nation or one of the many developing nations. Have the students report on the role of the government in the economic affairs of citizens in other countries. Then have them compare and contrast it to the role of the United States government in our economy.
2. Price system (i.e., all factors that work together to determine price) and the theory of supply and demand	7, 8	Have students identify three products whose prices they will monitor once a week over a two-month period. Each week have the students record the price for each product on a graph. After the two-month period, have them try to explain any price changes. Have students determine where these products are made.

Content Outline	National Standards	Connecting Activities
3. Competition in a market economy	9, 14	Have students draw demand/supply schedules and curves and determine equilibrium prices. Discuss surpluses and shortages and the effects of shifts in demand and/or supply curves.
	7, 8, 9	Ask students to investigate the energy industry (e.g., heating oil, gasoline, natural gas, and electricity) in terms of elasticity of demand. Have students explain the income effects of products for which the demand is highly inelastic. Discuss how the income effect of rising energy prices leads to a reduction in demand for products in other industries. Conduct a classroom debate on the following issue: "Resolved: Competition is the best way for individuals to improve themselves and for businesses to improve their products."
B. Challenges for the United States and other market-based systems 1. Unemployment 2. Income and wealth gaps 3. Other challenges: environmental pollution, economic instability, and discrimination **Key terms and concepts:** capitalism, property rights, consumer sovereignty, producers' sovereignty, incentives, factors of production, invisible hand, elasticity, productivity		**Using the Internet:** • A source of employment data is www.whitehouse.gov/fsbr/esbr.html • A source for historical data on family income distribution is www.census.gov/hhes/income/histinc/f02.html • Students could use the data from the United States Census Bureau to graph Lorenz Curves. See www.census.gov



Content Outline	National Standards	Connecting Activities
III. The Enterprise System and the United States Economy A. Features of the enterprise system 1. Freedom of enterprise 2. Private property 3. Profit motive 4. Consumer sovereignty 5. Competition 6. Rule of law 7. Antitrust legislation 8. Investment through research, innovation, and technology	4, 7, 8, 9, 10, 14 I, IV	**Using the Internet:** • Students can visit the Malcolm Baldrige National Quality Awards website at www.quality.nist.gov to learn about companies that have earned this award for their attention to quality and performance excellence. Students can learn about the characteristics of companies that have won this honor.
B. Types of business organizations 1. Sole proprietorship 2. Partnership 3. Corporation (profit and not-for-profit) 4. Franchises 5. Influences of cartels, monopolies, oligopolies	10, 14, 15	Take students on a class trip to a local factory or corporation in your city or area. Have students shadow different workers in the firm. Have students share their experiences with their classmates. Students can complete this same activity for a small business or company. Have students plan to open a hypothetical business. Ask them to study the different legal structures and explain the differences between the following types of enterprises: sole proprietorship, partnership, corporation, and nonprofit organization. Have students compare these enterprises from the perspective of ownership, taxation, legal structures, and profits. Have small groups of students select a type of business and evaluate it in terms of strengths, weaknesses, opportunities, and challenges.
C. Role of the entrepreneur 1. Examples of entrepreneurs today 2. Impact of entrepreneurs on the economy 3. Impact of entrepreneurs on community development	4, 14, 15, 18 I	Invite a panel of entrepreneurs to speak to the class about their business successes and challenges. Ask them to discuss the market structure in which their firms operate and their considerations of costs in making decisions about output or production.

Content Outline	National Standards	Connecting Activities
D. Starting and operating a business 1. Recognizing opportunities 2. Setting goals 3. Developing a business plan 4. Product development, purchasing and inventory management, record keeping, and distribution 5. Production and delivery of goods and services 6. Marketing 7. Financing 8. Assessing progress	4, 7, 8, 9, 14, 15 I 10, 14, 15 IV	Following the panel discussion, have students write a newspaper article about the characteristics of a successful entrepreneur. Develop an entrepreneurial "Hall of Fame" by having students research successful entrepreneurs and developing a list of criteria for selection into the "Hall." Students might visit the website for the National Foundation for Teaching Entrepreneurship (NFTE) at www.nyic.org or students can call 1-877-275-6943.
E. The interactions between large and small businesses 1. Antitrust cases 2. Implications for consumers 3. Implications for business	4, 10, 16	Have students prepare oral reports on the role of venture capitalists in the economy and their relationship to entrepreneurs. Have students report on local companies and businesses that operate in global markets. Specifically, have them examine the effects of globalization on financing, product design, manufacturing, and distribution. Have students trace the steps in the design, development, and manufacturing of a particular consumer product.
F. Effects of globalization on business 1. Multinational corporations 2. Small businesses and their connections to world trade		Have students research the economic, social, and political effects that lobalization has had on various local businesses and/or industries. Have students investigate the effects of companies that move their manufacturing processes to other parts of the world. Ask students to explain how outsourcing or contracting out has influenced the local labor market. Have students identify some familiar large corporations (e.g., G.M., Wal-Mart, McDonald's) and examine their size and the number of countries in which they operate. Have the class debate the positive and negative effects of multinational corporations operating in less-developed countries.

Content Outline	National Standards	Connecting Activities
		Using the Internet: • Students can go online to the Small Business Administration website at www.sba.gov/starting/indexfaqs.html to find answers to frequently asked questions about starting a small business. • Students can visit www.amazon.com and www.barnesandnoble.com to compare and contrast the sites' marketing strategies. • Students can participate in a simulation about supply at www.jatitan.lucos.default.asp On this site, students can take over a company and make competitive decisions about production, marketing, price, plant investment, and product research and development. • Students can prepare a business plan and present it to the class. For an example of an online plan, students can go to http://biztech.nfte.com Students might view the award-winning documentary film *Roger and Me* in which Michael Moore exposes the effects that General Motors had on Flint, Michigan. Students can compare and contrast the problems of workers in the 19th century with workers today in various industries such as the garment and steel industries, railroads, and on farms that employ migrant laborers. Students might investigate various labor strikes during the 19th and 20th centuries in terms of their causes and results.
G. Moral, ethical, and legal issues 1. Business ethics 2. Regulations for doing business 3. "Corporate citizenship" **Key terms and concepts:** capital, investment, absolute advantage, incentives, cost, markets, risk, cash flow, antitrust, profits, licenses		Provide students with several case studies about businesses or corporations that ignored their moral, ethical, or social responsibilities. These may be corporations or businesses that polluted the environment, fixed prices, or ignored unsafe or unhealthy working conditions. Ask students to describe the corporate action and propose remedies. Have students investigate how the courts have dealt with these kinds of business practices.

BEST COPY AVAILABLE

Content Outline	National Standards	Connecting Activities
		Students can investigate an interesting fictional case study concerning a corporation that was charged with illegal disposal of hazardous waste materials. This case was used in the Law, Youth, and Citizenship Program's 2001 Statewide High School Mock Trial Tournament and can be found at www.nysba.org/lyc/lyc.html **Using the Internet:** • Have students go online to one of the following websites for information about how some corporations and business leaders give back to their communities: - The Social Venture Network at http://www.svn.org/home.html - Verizon Foundation at http://www.foundation.verizon.com/index.html - Ben and Jerry's Ice Cream at http://www.benjerry.com/foundation/index.html

Content Outline	National Standards	Connecting Activities
IV. Labor and Business in the United States A. Roles and responsibilities of workers 1. Evolving roles of workers in business (e.g., providing input to management, working in teams) 2. Matching worker qualifications and skills with business needs	13, 18 I	Invite a representative from a local manufacturing company or business to speak to the class about the company's manufacturing process or about their business. Ask the business person to discuss the different job opportunities in the company. Have students prepare summaries about the manufacturing process or about the tasks involved in running a business.
B. Composition of the workforce 1. Changing roles of women, teenagers, the elderly, and minorities 2. Population and demographic trends 3. Experience, location, and skill needs 4. Affirmative action issues 5. Changing skill mix and skill requirements 6. Costs and benefits of hiring immigrants		Students can collect news articles about the changing role of women, teenagers, minorities, and the elderly in the workforce.
C. Compensation and rewards 1. Factors leading to job satisfaction versus factors resulting in dissatisfaction 2. Salary versus wages versus ownership 3. Fringe benefits 4. Employer-of-choice issues (e.g., benefits, working conditions, incentives, flex time, corporate values)		Students might debate the topic: "Resolved: Affirmative action is an important tool to allow women and minorities to gain greater access to education and employment." **Using the Internet:** • Students can visit the Census Bureau and Bureau of Labor Statistics websites to collect demographic information about the changing composition of the United States workforce. The Census Bureau is at www.census.gov while the Bureau of Labor Statistics can be found at www.bls.gov
D. Labor-management relations 1. History of labor-management relations 2. Labor unions and their changing roles over time; collective bargaining 3. Labor laws 4. Programs promoting improved labor-management relations 5. Unemployment issues, including structural unemployment 6. International labor issues—child labor, worker exploitation, and sweatshops 7. Open borders, migrant workers, and competition from new immigrants	4, 11, 13 I	Have students write to different companies to ask what they do to be considered an "employer of choice" in their respective industry. After collecting this information, students should analyze the different corporate incentive packages to determine the best features of each.

Content Outline	National Standards	Connecting Activities
Key terms and concepts: labor markets, full employment, comparable worth, productivity		Have students role-play management and labor over an issue like improved working conditions, better wages and benefits, or potential layoffs. Ask each side to present its cases and then have students try to come to an agreement. Have students investigate the pros and cons of low-wage factories or sweatshops in less-developed countries. Students should also research child labor and efforts to end it worldwide. One teacher resource is *Lost Futures: The Problem of Child Labor*, available from The American Federation of Teachers, International Affairs Department, (202) 879-4400. **Using the Internet:** • Have students use the Bureau of Labor Statistics website at www.bls.gov to collect information about different kinds of occupations in various industries. • For information about labor organizations, students can visit the United Autoworkers at www.uaw.org or the AFL-CIO at www.aflcio.org Students might investigate and report about a current labor-management issue and propose alternative solutions to the problem.

Content Outline	National Standards	Connecting Activities
V. Money, Finance, and Personal Finance A. Money 1. Definition of money 2. Characteristics and functions of *money* 3. Money and the future: a cashless society?	4, 10, 11, 12, 15 I	Students can investigate the history of money by reviewing publications on the Federal Reserve Bank of New York website at http://www.ny.frb.org, the United States Mint website at www.usmint.org, and the Department of Treasury website at www.treas.gov/usss
B. Introduction to finance and personal finance 1. Definition of *finance* 2. Personal financial goals and strategies 3. The role of finance in business and government	II 2, 4, 13	Have students develop a personal financial planner in which they indicate their financial goals, income needs, and investment strategies. Ask students to include how they will evaluate progress toward their financial goals. Students should also respond to the message: "You must spend less than you make." **Using the Internet:** • Students can find information on a variety of finance-related topics on the Financial Pipeline home page at www.finpipe.com • Educational standards for personal financial literacy, lesson plans, and many websites dealing with personal financial literacy for young adults can be found at www.jumpstartcoalition.com • Students can find information about financial markets, investment choices, fraud, and unethical behavior at the National Institute for Consumer Education at www.nice.emich.edu
	IV	Have students consider the following description of consumer life cycles. Ask students to review their personal financial planners in terms of these cycles. Consumer life cycles: Individuals and families pass through different consumer life cycles. Wise financial planning is based on knowing about these life cycles and the positive and negative cash flows associated with each cycle. For example, young people, singles, and childless married couples are often capable of saving in the form of asset accumulation or by reducing their

Content Outline	National Standards	Connecting Activities
		debt. However, if instead they accumulate additional debt during this cycle, they often find it impossible to handle their debt load in the next life cycle. Their next life cycle may include raising children, which results in higher expenses and a lower disposable income. These known periods of negative cash flow are a primary incentive for voluntary savings or debt reduction, whenever possible.
C. Instruments, institutions, financial markets, and investors 1. Instruments a. Equity (stocks) b. Debt (public and private) 2. Markets a. Roles markets play in directing funds from savers to investors b. Effects markets have on individuals and the economy c. Types of markets: equity, debt, stock, bond, and commodity (e.g., New York Stock Exchange, NASDAQ, bond, commodities, currencies) d. Effects of current events on domestic and global markets e. Risk	7, 16, 17 IV	Take students on a tour of the New York Stock Exchange on the Internet. Have students describe how the exchange operates and its importance to the national economy. Visit the New York Stock Exchange at www.nyse.com/about/about.html The National Association of Securities Dealers, the parent organization of NASDAQ, has created a website that students can visit. Have students visit the site and report on the different types of financial instruments and on the importance of NASDAQ. Students can visit this site at www.investor.nasd.com/teach/default.html One of the best ways to learn about financial markets and their relationship to the economy is to have students participate as investors in the "Stock Market Game." Have students visit www.smgww.org or www.virtualstockexchange.com to learn more about this worthwhile activity and how they can participate. Teachers should consider expanding the game's investment options beyond equities to all those available to investors in the real world.

Content Outline	National Standards	Connecting Activities
3. Banks: their role in the financial system and importance to consumers a. Kinds of banks and other deposit-taking institutions; savings accounts, checking accounts, and loans 1) Commercial and savings—serving consumers and businesses; issues related to minorities and minority-owned businesses 2) Investment banks—raising capital b. Banks and businesses c. Banks and the consumer d. Banks as financial intermediaries 4. Insurance a. Purpose of insurance b. Kinds of insurance c. Shopping for insurance	10, 12, 13, 16 II	Invite a representative from a local bank, credit union, insurance company, brokerage firm, or financial planning company to visit the class and discuss their institution's different products and services. Have students prepare questions before the presentation and develop a financial plan after it. **Using the Internet:** • Have students visit one of the following websites to learn more about what services and products banks offer their customers. Have students prepare oral presentations based on the information they collect. Students can visit www.bankofamerica.com; www.chase.com; www.citigroup.com; or www.db.com (Deutsche Bank) • To learn more about how a major stock brokerage firm operates, students can visit Merrill Lynch at www.ml.com • Students can create their own portfolios by visiting Yahoo Finance at http://www.yahoo or the Solomon Smith Barney Young Investors website at www.solomonsmithbarneyyoung.com
5. Regulating the financial services industry a. Securities and Exchange Commission b Federal Reserve c. Office of the Comptroller of the Currency d. State Banking and Insurance Commissions e. F.D.I.C.	20	Have students debate the issue of moral hazard as follows: "Resolved: Some businesses are too big and important to fail. Therefore, the government should take all necessary steps to prevent it from happening."
D. Interest and the cost of money 1. Interest rates—the cost of the temporary use of somebody else's money 2. Measuring interest rates—APRs 3. Short- and long-term rates—the "yield curve" 4. Effects of raising and lowering rates 5. Compounding and the rule of 72 6. Interest rate spread	4, 8, 9, 11, 12 III	**Using the Internet:** • Students can learn more about the structure and functions of the Federal Reserve Bank by visiting www.newyorkfed.org Teachers can also contact the Fed for information about their teaching materials by calling 212-720-6130.

Content Outline	National Standards	Connecting Activities
		• Students can learn more about interest rates at the Financial Pipeline website at www.finpipe.com Students can read about why interest rates change, interest rate components, interest rate forecasting, and bond spreads. After accessing the site, students should click on "Bonds" and scroll down to the desired topic. Have students graph changes for 10-year and 30-year bond yields, the prime rate, and federal funds rate over a two-month period. Have students define and apply the following concepts and terms: *liquidity, risk, compounding, rule of 72, asset allocation,* and *equity.*
E. Credit 1. Forms of credit (loans, credit cards, commercial paper, Treasury notes, bills and bonds) 2. Benefits and costs of credit 3. Credit and the consumer—personal credit reports and ratings, abuses of credit, abuses of creditors (e.g., predatory lending) 4. Short-term versus long-term credit 5. Problems with credit and unsecured credit	1, 2, 4, 11, 12 III	Have students create a spreadsheet to compare the costs of borrowing $15,000 to purchase an automobile at interest rates of 6%, 9%, and 10.5% over 36 and 48 months. Have students complete credit card applications and explain the benefits and responsibilities of owning a credit card. Have students compare different credit card offers to determine the advantages and disadvantages of each credit card program. Students should be able to define terms such as *finance charge, minimum payment,* and *late payment fee.* Have students examine the "spread" between rates on credit cards and the rates on savings accounts. In a chart, have students show how the interest rates charged on credit cards and auto loans vary with changes in the benchmark rates that are set by the Federal Reserve.

Content Outline	National Standards	Connecting Activities
		Using the Internet: • Students can learn more about credit by visiting one of the following consumer protection agency websites: Consumer Products Safety Commission, at www.cpsc.gov; Federal Trade Commission, at www.fda.gov; New York State Consumer Protection Board, at www.consumer.state.ny.us
F. Managing your money 1. Strategies to achieve long-term goals 2. Budgeting 3. Personal savings and investing a. Personal considerations (e.g., risk tolerance, values, age, family situation) b. Return on investment c. Managing risk through diversification d. Liquidity 4. Influence of advertising 5. Tax sheltering G. Careers in financial services industry **Key terms and concepts:** managing risk, hedging, thrifts, prime rate, net asset value	1, 4, 11, 12 II	• Students can learn about credit cards and the pitfalls of using credit cards unwisely by visiting www.studentcredit.com/learn.htm

BEST COPY AVAILABLE

Content Outline	National Standards	Connecting Activities
VI. Making Fiscal and Monetary Policy A. Macroeconomics and challenges facing policy makers 1. The business cycle: causes and effects of fluctuations in the business cycle 2. Unemployment a. Causes: structural, seasonal, and cyclical unemployment b. Effects of unemployment 3. Inflation a. Causes b. Effects on economy, financial system, and specific economic groups c. Measuring inflation (CPI) d. Combating inflation	16, 17, 20 I, IV	Have student groups draw posters illustrating a typical business cycle. Students should brainstorm a list of causes for expansions and contractions. Have students define terms such as *recession, depression, aggregate output,* and *unemployment rate.* Have students debate the following proposition: "Resolved: There is a new economy that has evolved and the business cycle as we know it is dead." **Using the Internet:** • Students can collect information about employment and unemployment statistics from the Economics Briefing Room at www.whitehouse.gov/fsbr/esbr.html Other sources include the Census Bureau at www.census.gov and the Bureau of Labor Statistics at www.bls.gov • The Consumer Price Index is available at the Bureau of Labor Statistics website at http://stats.bls.gov/cpihome.htm • Students can find an inflation calculator at www.westegg.com/inflation
B. Economic growth 1. Determinants of growth 2. Measures of growth (GDP) 3. Limits of growth (the speed limits of growth) 4. Effects of globalization on the United States GDP 5. Importance of productivity and the role of technology 6. Factors that explain why some countries grow faster than others	16, 17, 20 IV	Have students explain how increases in labor supply, physical capital, human capital, and productivity result in economic growth. Ask students to debate the pros and cons of growth. Ask students to prepare position papers on the following argument: Growth is progress since it provides more choices, saves time, improves the standard of living, and ultimately improves conditions for the poor. (Adapted from: Karl E. Case and Ray C. Fair, *Principles of Economics* [Prentice Hall, 1994], p. 867) Have students complete reports on various inventions and technological innovations with an emphasis on how they led to increased productivity and economic growth.

Content Outline	National Standards	Connecting Activities
C. Fiscal policy 1. The role of the President and Congress 2. Setting spending priorities (e.g., national defense, social services, rebuilding the nation's infrastructure, and education) 3. The federal budget process 4. Tax policy a. Purposes of taxes: to generate revenue and/or manage the economy and promote social goals b. Tax fairness: progressive, regressive, and proportional c. Kinds of taxes: federal, state, local, including the real property tax 5. Understanding the income tax 6. Understanding the social security tax 7. Understanding the real property tax a. Government services provided b. Taxing jurisdictions c. Tax levy, tax rate, and tax bills (e.g., school, city, county, town) d. Assessments: collection of data and computation e. Taxpayer challenges	16, 17, 18, 19 IV	**Using the Internet:** • Students can collect information about the federal budget at www.access.gpo.gov/usbudget/fy2001 Students can draw bar graphs illustrating the various budget categories and allocations for each. • Students can find State and local tax information at www.financenet.gov/financenet/state/stbudget.htm www.census.gov/govs/www/estimate.html Attend a meeting of a local government agency discussing an issue involving taxation (e.g., the board of public works is proposing a new highway project). Have students publish a class newspaper reporting on the event. Assign students the following roles: beat writers, feature story writers, editorialists, op-ed journalists, and interviewers. Have students brainstorm a list of the roles or purposes of taxation. Explain how taxes can be used to raise revenue, regulate behavior, redistribute income, or provide stimuli for economic activity. Instruct the class on the basic formula for taxation (base x rate = revenue). Invite a representative from local government to talk to the class about the issue of taxation and explain how taxes are collected and used at the local level. Conduct a classroom simulation of a local board of education meeting to propose an increased school tax for increased costs related to educational programs. Have students role-play members of different interest groups including businesspeople, residents with and without children, senior citizens, labor union representatives, teachers, school officials, and members of the parent-teacher organization.

Content Outline	National Standards	Connecting Activities
D. Monetary policy and the Federal Reserve 1. Definition of *monetary policy* 2. Goals of monetary policy 3. Conditions leading to the creation of the Federal Reserve 4. Federal Reserve's structure, functions, and goals (maintaining price stability and sustainable growth) 5. The role of the Fed in making and implementing monetary policy 6. Effects of changing interest rates 7. Fighting inflation and recession **Key terms and concepts:** Non-accelerating inflation rate of unemployment (NAIRU), Phillips Curve, easy money, tight money, federal funds rate	16, 20 IV	If possible, schedule a trip to the Federal Reserve Bank of New York to see the exhibit "*FedWorks.*" While at the exhibit, students should complete some of the activities included in the *FedWorks Teacher's Guide.* Teachers can order a series of comic books about the role of the Federal Reserve by visiting www.newyorkfed.org Click on "Publications" and then on "Economic Education." Another source of information about the Fed is at www.FederalReserveEducation.org The Fed Challenge is a competition that invites teams of high school students to research and make presentations about the Federal Reserve's role in setting United States monetary policy. Student groups analyze economic and financial conditions and defend their recommendations to raise, lower, or keep interest rates unchanged. A panel of judges questions the team about their analyses, forecasts, and recommendations. Winning teams go to Washington, D.C. to compete for college scholarships. Teachers and schools also receive awards. For more information about the Fed Challenge, call 1-877-FEDCHLG (1-877-333-2454).

Content Outline	National Standards	Connecting Activities
VII. Impact of Globalization on the Economies of Other Nations A. Definition of *globalization* 1. Historical development of the global economy 2. The impacts of trade flows, capital movements, direct foreign investment, tourism, and foreign trade 3. Positive and negative effects of globalization on developing and industrialized nations	16, 17, 18	Have students create a mock television show analyzing a global economic crisis (e.g., the Great Depression of 1929 or the Asian Financial Crisis of 1997). Topics would include the causes, suggested solutions, and lasting effects. Students should be divided into groups of researchers, writers, anchors, feature reporters, graphic designers, and editorialists. Have students participate in a simulation of a global economic forum in which class members assume the roles of finance ministers from various industrial and developing countries. Participants would discuss and vote on resolutions of global importance (e.g., Should the great industrial powers forgive all debt owed them by developing nations? Should developing nations be excused from enforcing environmental regulations? Should a nation's record on human rights be a reason for vetoing its membership in global trade organizations?) Have students examine the different measures of development found in the World Bank and United Nations reports. Students should collect data on countries at very different income levels. Ask students to explain the United Nations' use of the categories "human development" and "gender development." This information can be found at www.worldbank.org and www.undp.org A teacher resource is Thomas Friedman's *The Lexus and the Olive Tree* (Vintage Anchor Publishing, 2000). Friedman establishes a conceptual framework for thinking about and discussing the post-Cold War era—the era of globalization. Another resource is Benjamin Barber's *Jihad vs. McWorld* (Ballantine Books, 1996).

Content Outline	National Standards	Connecting Activities
B. Trade—effects of globalization on the enterprise system 1. Why do nations trade? 2. Importance of trade 3. Measuring trade 4. Trade policy issues 5. Global (WTO) and regional trading blocs (EMU, NAFTA, ASEAN, and MERCOSUR-Common Market of the South)	6, 7, 9	Have students debate the pros and cons of globalization in terms of trade and investment. **Using the Internet:** • Students can find national and international economic information at the United States Department of Commerce website at www.bea.doc.gov • Obtain a copy of *Teaching About the Global Economy Using the Internet* from the Federal Reserve Bank of N.Y. (212-720-6130). Have students complete activities #1 and #2. • Students can find government information on foreign trade at http://www.census.gov (U.S. Census Bureau). Click on Foreign Trade.
	7, 11, 12	• Students can use the WTO/GATT home page to learn about these organizations at www.gatt.org • For information about NAFTA, students can research http://ucsu.colorado.edu/~slusarz/nafta/nafta_li.htm
C. Foreign exchange 1. What are exchange rates? 2. Reasons for exchange rate fluctuations 3. Effects of exchange rate fluctuations		• For an exchange rate calculator, students can visit www.x-rates.com or www.xe.net/ucc/
D. Foreign investment 1. Portfolio capital flows 2. Direct foreign investment		• Students can find international financial information at Yahoo!'s International Finance Center. See http://biz.yahoo.com/ifc/
E. Global economic and financial issues and crises 1. Debt of developing nations 2. Environmental issues and concerns 3. Global financial crises (e.g., Asia 1997, Russia 1998) 4. Economic implications of national and international crises (e.g., World Trade Center, 2001)		• Students can find economic information about other nations in the CIA World Factbook at www.odci.gov/cia/publications/factbook/index.htm • Students can research the Asian financial crisis by going to www.megastories.com/seasia/crisis/crisis.htm • Students can find economic information about other nations in the CIA World Factbook at www.odci.gov/cia/publications/factbook/index.htm
Key terms and concepts: economic development, strong dollar versus weak dollar, comparative advantage, G7 nations		

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

REPRODUCTION RELEASE

(Specific Document)

SO034669

I. DOCUMENT IDENTIFICATION:

Title: Economics, the Enterprise System and Finance	
Author(s):	
Corporate Source: Office of Curriculum, Instruction & Assessment University of the State of New York	Publication Date: 2002

II. REPRODUCTION RELEASE:

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, *Resources in Education* (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce and disseminate the identified document, please CHECK ONE of the following three options and sign at the bottom of the page.

The sample sticker shown below will be affixed to all Level 1 documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

Level 1

☒

Check here for Level 1 release, permitting reproduction and dissemination in microfiche or other ERIC archival media (e.g., electronic) and paper copy.

The sample sticker shown below will be affixed to all Level 2A documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE, AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2A

Level 2A

☐

Check here for Level 2A release, permitting reproduction and dissemination in microfiche and in electronic media for ERIC archival collection subscribers only

The sample sticker shown below will be affixed to all Level 2B documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

Level 2B

☐

Check here for Level 2B release, permitting reproduction and dissemination in microfiche only

Documents will be processed as indicated provided reproduction quality permits.
If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.

I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate this document as indicated above. Reproduction from the ERIC microfiche or electronic media by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Sign here, please

Asst Dir. Facilitz & Busines Svcs

Signature: Roseanne De Fabio	Printed Name/Position/Title: Roseanne De Babio, Asst. Commissioner
Organization/Address: Curriculum, Instruction & Assessment University of the State of New York State Education Department 89 Washington Avenue Albany, NY 12234	Telephone: 518 474-7770 FAX: 474-4946 E-Mail Address: rdefabio@mail.nysed.gov Date: 4/18/03 ww.nches@mail.Nysed.Gov

(Over)

III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, *or*, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:
Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse:

ERIC/CHESS
2805 E. Tenth Street, #120
Bloomington, IN 47408

However, if solicited by the ERIC Facility, or if making an unsolicited contribution to ERIC, return this form (and the document being contributed) to:

ERIC Processing and Reference Facility
4483-A Forbes Boulevard
Lanham, Maryland 20706

Telephone: 301-552-4200
Toll Free: 800-799-3742
FAX: 301-552-4700
e-mail: ericfac@inet.ed.gov
WWW: http://ericfacility.org

EFF-088 (Rev. 2/2001)